



Environmental Remediation Group

Olin Corporation

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SENT VIA OVERNIGHT COURIER

March 30, 2018

Jeff Thomas
Remedial Project Manager
USEPA (3HS23)
1650 Arch Street
Philadelphia, PA 19107

Elizabeth (Liz) A. Keville
Project Manager
Office of Environmental Remediation
601 57th Street SE
Charleston, WV 25304

Re: Administrative Order III-90-27-DC
Ordnance Works Disposal Areas Superfund Site
Morgantown, West Virginia
Financial Assurance to perform the "Work"

As per the above referenced order, Olin Corporation is required to submit documentation to demonstrate their ability to fund Olin's share of the costs for activities at the Ordnance Works Disposal Areas Superfund Site, Morgantown, West Virginia. The financial assurance required for the Morgantown site was based on the FFS, Alternative 6A, that had Remediation costs of \$5,994,834 and Operating and Maintenance (O&M) costs (for 30 years) of \$654,266. The remediation of the site has been completed. O&M is currently ongoing. The FFS costs for O&M has been reviewed and updated based on current O&M requirements. The current estimated O&M costs for the site are \$812,500.

Olin has an allocated share of 38.38%. The other major PRP is the Army Corp of Engineers (ACOE) who is representing the government. The ACOE is not listed on the Administrative Order but is participating. As you are aware, the ACOE, as a branch of the Federal Government, is self-insuring. Therefore Olin's financial assurance commitment is in the amount of 38.38% times \$812,500 or \$311,838.

OLIN CORPORATION

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Olin Corporation is demonstrating financial assurance by use of the financial test based on 2017 fiscal results. A letter from Olin's chief financial officer, Olin's 2017 Annual Report with an independent certified public accountant's examination report on page 55, and a special report from Olin's independent certified public accountant are enclosed.

Should there be additional information required, please contact me at 423-336-4514.

Sincerely,

A handwritten signature in blue ink that reads "Angela J. Goodner". The signature is fluid and cursive, with the first name "Angela" being the most prominent part.

Angela J. Goodner
Manager, ERG Finance

Enclosures



Olin Corporation
190 Carondelet Plaza, Suite 1530
Clayton, MO 63105-3443

LETTER FROM CHIEF FINANCIAL OFFICER

Jeff Thomas
Remedial Project Manager
USEPA (3HS23)
1650 Arch Street
Philadelphia, PA 19107

Elizabeth (Liz) A. Keville
Project Manager
Office of Environmental Remediation
601 57th Street SE
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I am the chief financial officer of Olin Corporation, 190 Carondelet Plaza, Suite 1530, Clayton, MO 63105-3443. This letter is in support of this firm's use of the financial test to demonstrate financial assurance for closure and/or post-closure costs, as specified in Subpart H of 40 CFR 264 and 265.

1. The firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

Post-Closure

Ordinance Works Disposal Areas Superfund Site Morgantown, West Virginia Civil Action 97-0090-A	\$ 311,838
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2. This firm guarantees, through the corporate guarantee specified in Subpart H of 40 CFR 264 and 265, the closure or post-closure care of the following facilities owned or operated by the guarantee party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

None

3. In States where EPA is not administering financial requirements of Subpart H of 40 CFR part 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H of 40 CFR

parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

None

4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in subpart H of 40 CFR parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurances are shown for each facility:

None

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144. The current closure cost estimates as required by 40 CFR 144.62 are shown for each facility:

None

This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31st. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 2017.

ALTERNATIVE I

1. Sum of current closure and post-closure cost estimate [total of all cost estimates shown in the five paragraphs above]	\$ 311,838
*2. Total liabilities [if any portion of the closure or post-closure cost estimates is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4]	\$ 6,464,600,000
*3. Tangible net worth	\$ 20,100,000
*4. Net worth	\$ 2,753,700,000
*5. Current assets	\$ 1,699,200,000
*6. Current liabilities	\$ 954,300,000
*7. Net working capital [line 5 minus line 6]	\$ 744,900,000
*8. The sum of net income plus depreciation, depletion, and amortization	\$ 1,108,400,000
*9. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.)	\$ 7,773,700,000

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10. Is line 3 at least \$10 million?	Yes
11. Is line 3 at least 6 times line 1?	Yes
12. Is line 7 at least 6 times line 1?	Yes
13. Are at least 90% of firm's assets located in the U.S.? If not, complete line 14	No
14. Is line 9 at least 6 times line 1?	Yes
15. Is line 2 divided by line 4 less than 2.0?	No
16. Is line 8 divided by line 2 greater than 0.1?	Yes
17. Is line 5 divided by line 6 greater than 1.5?	Yes

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below.



Todd A. Slater
Vice President and Chief Financial Officer
March 29, 2018



KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

Independent Accountants' Report on Applying Agreed-Upon Procedures

The Audit Committee and Management
Olin Corporation:

We have performed the procedures enumerated below, which were agreed to by management of Olin Corporation (the Company), solely to assist you with the filing of selected financial information included in Part B Closure or Post-Closure Care and Liability Coverage Alternative I (the Alternative) of your letter dated March 29, 2018 to the Remedial Project Manager, USEPA (3HS23) in Philadelphia, Pennsylvania and to the Project Manager, Office of Environmental Remediation in Charleston, West Virginia, regarding the Ordnance Works Disposal Areas Superfund Site. Olin Corporation's management is responsible for the selected financial information included in the Alternative. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

1. Total Liabilities: \$6,464,600,000

- a. We compared the dollar amount of Total Liabilities, as shown in Item 2 of the Alternative, to the corresponding amount appearing in the Company's consolidated financial statements as of and for the year ended December 31, 2017 (2017 financial statements), included in the 2017 Annual Report on Form 10-K of the Company, and found them to be in agreement.

2. Tangible Net Worth: \$20,100,000

- a. We compared the dollar amount of Tangible Net Worth, as shown in Item 3 of the Alternative, to the corresponding amount derived from the Company's 2017 financial statements, as set forth below (in millions), and found them to be in agreement.

Total shareholders' equity	\$	2,753.7
Less:		
Intangible assets		(578.5)
Deferred debt issuance costs		(35.1)
Goodwill		(2,120.0)
Total	\$	<u>20.1</u>

3. Net Worth: \$2,753,700,000

- a. We compared the dollar amount of Net Worth, as shown in Item 4 of the Alternative, to Total Shareholders' Equity appearing in the Company's 2017 financial statements, and found them to be in agreement.



4. Current Assets: \$1,699,200,000

- a. We compared the dollar amount of Current Assets, as shown in Item 5 of the Alternative, to the corresponding amount appearing in the Company's 2017 financial statements and found them to be in agreement.

5. Current Liabilities: \$954,300,000

- a. We compared the dollar amount of Current Liabilities, as shown in Item 6 of the Alternative, to the corresponding amount appearing in the Company's 2017 financial statements and found them to be in agreement.

6. Net Working Capital: \$744,900,000

- a. We compared the dollar amount of Net Working Capital, as shown in Item 7 of the Alternative, to the corresponding amount derived from the Company's 2017 financial statements, as set forth below (in millions), and found them to be in agreement.

Total Current Assets	\$	1,699.2
Less:		
Total Current Liabilities		<u>(954.3)</u>
Total	\$	<u>744.9</u>

7. Sum of Net Income plus Depreciation, Depletion, and Amortization: \$1,108,400,000

- a. We compared the dollar amount of the Sum of Net Income plus Depreciation, Depletion, and Amortization, as shown in Item 8 of the Alternative, to the corresponding amount derived from the Company's 2017 financial statements, as set forth below (in millions), and found them to be in agreement.

Net Income	\$	549.5
Add:		
Total Depreciation, Depletion, and Amortization		<u>558.9</u>
Total	\$	<u>1,108.4</u>

8. Are at least 90% of assets located in the United States?

- a. We recalculated the percentage of the Company's Total Assets located within the United States using information appearing in a report prepared by the Company that was derived from the accounting records of the Company utilized in preparing the Company's 2017 financial statements, as set forth below (in millions, except for percentage), and found that the amount is less than 90%, as indicated in the Company's response to Item 13 of the Alternative.

Total Assets in the United States (A)	\$	7,773.7
Total Assets (B)		9,218.3
Percentage of Total Assets in the United States (A/B)		84.3%



This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the selected financial information included in the Alternative of your letter dated March 29, 2018 to the Remedial Project Manager, USEPA (3HS23) in Philadelphia, Pennsylvania, and to the Project Manager, Office of Environmental Remediation in Charleston, West Virginia, regarding the Ordnance Works Disposal Areas Superfund Site. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the audit committee and management of Olin Corporation and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

St. Louis, Missouri
March 29, 2018